

ASSEMBLY BILL

No. 1389

Introduced by Assembly Member Ridley-Thomas

February 21, 2003

An act to add Article 9 (commencing with Section 650) to Chapter 3 of Part 1 of Division 1 of the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1389, as introduced, Ridley-Thomas. Public utilities: rights and obligations: hiring.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities. The Public Utilities Act establishes the rights and obligations of public utilities under the jurisdiction of the commission.

This bill would provide that it is the policy of California, consistent with constitutional requirements, that the tasks and duties necessary for the rendering of public utility service within the state be performed by California residents.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
2 following:
3 (a) Public utilities serve a vital function, providing basic
4 infrastructure essential to the efficient conduct of commerce and
5 societal interaction.

1 (b) Because of the essential nature of public utility services and
2 the economics of the production of public utility services, state
3 policy has shielded the public utilities from competition by
4 granting the public utilities monopolies within their service areas.

5 (c) Though public utility markets have been increasingly
6 subject to competition, the public utilities have nevertheless
7 retained distinct competitive advantages versus their competitors
8 because of actions taken by the Public Utilities Commission.

9 (d) In exchange for the state's granting of public utility
10 monopolies or near-monopolies, the public utilities bear a
11 heightened responsibility for contributing to the public interest.

12 (e) The public interest has been interpreted to include
13 providing an adequate level of public utility service at a just and
14 reasonable rate. This interpretation has not explicitly included a
15 consideration of the benefits of public utility employment to the
16 state and its residents. A more complete interpretation of the public
17 interest would give this consideration some weight.

18 (f) Given the current poor economic climate and the high
19 unemployment rate within the State of California, it is necessary
20 and proper state policy to encourage the employment of
21 Californians and discourage the employment of non-Californians
22 by California's public utilities.

23 (g) The Public Utilities Commission has broad powers to
24 regulate the practices and rates of public utilities.

25 SEC. 2. Article 9 (commencing with Section 650) is added to
26 Chapter 3 of Part 1 of Division 1 of the Public Utilities Code, to
27 read:

28
29 Article 9. Hiring.

30 650. It is the policy of the State of California, consistent with
31 the federal and state constitutions, that the tasks and duties
32 necessary for the rendering of public utility service within the state
33 shall be performed by residents of California.

